

OFFICE OF THE DIRECTOR

DEPARTMENT OF MOTOR VEHICLES

P.O. BOX 932328

SACRAMENTO, CA 94232-3280

**TITLE 13: DEPARTMENT OF MOTOR VEHICLES****NOTICE IS HEREBY GIVEN**

The Department of Motor Vehicles (the department) proposes to adopt Section 225.38 and amend Sections 225.00, 225.03, 225.06, 225.09, 225. 21, 225.35, 225.45, 225.48, 225.54, and 225.72, in Chapter 1, Division 1, Article 3.6, of Title 13, California Code of Regulations to amend program requirements and add new types of vehicle transactions to the Business Partner Automation (BPA) program.

PUBLIC HEARING

A public hearing regarding this proposed regulatory action is not scheduled. However, a public hearing will be held if any interested person or his or her duly authorized representative requests a public hearing to be held relevant to the proposed action by submitting a written request to the contact person identified in this notice no later than 5:00 P.M., fifteen (15) days prior to the close of the written comment period.

DEADLINE FOR WRITTEN COMMENTS

Any interested person or his or her duly authorized representative may submit written comments relevant to the proposed regulations to the contact person identified in this notice. All written comments must be received at the department no later than 5:00 P.M. on *October 22, 2007*, the final day of the written comment period, in order for them to be considered by the department before it adopts the proposed regulations.

AUTHORITY AND REFERENCE

The department proposes to adopt the proposed action under the authority granted by Vehicle Code section 1651, in order to implement, interpret or make specific Section 1685 of the Vehicle Code.

INFORMATIVE DIGEST/POLICY STATEMENT OVERVIEW

Vehicle Code section 1685 authorizes the department to contract with private industry partners to electronically process and update registration and titling transactions. The proposed regulation will amend program requirements and authorize a new registration transaction option.

§225.00 Definitions. Section 225.00 is proposed to be amended to identify the new inventory items authorized when the proposed vehicle transactions are processed by the business partners.

§225.03 Application Requirements. Section 225.03 is proposed to be amended to identify the revised original application forms which would include the new transactions, amend the mail station address where the applications are to be sent for review, and clarify the form number for the Business Partner Automation Program Information Security Pre-Implementation Checklist for Second-line Business Partner form.

§225.06 Fingerprints. Section 225.18 is proposed to be amended to correct a grammatical error.

§225.09 Financial Security Requirements. Section 225.09 is proposed to be amended to identify the revised surety bond, add the transaction to the appropriate bond amounts, delete the business partner obligations, would allow the surety bond alternative as specified in the Code of Civil Procedure section 999.710 and identify the agreement and assignment form required for the surety bond alternative process.

§225.21 Review of Criminal History Information. Section 225.21 is proposed to be amended to identify the revised *Occupational Licensing and Disciplinary Guidelines* document incorporated by reference in Section 440.04, Article 6.1, Title 13, of the California Code of Regulations.

§225.35 Renewal. Section 225.35 is proposed to be amended to identify the revised renewal form that included the new transactions.

§225.38 Business Partner Obligations. Section 225.38 is proposed to be adopted to identify for each business partner its fiduciary responsibilities to the BPA program and the obligations to the state of California.

§225.45 Customer Fees. Section 225.45 is proposed to be amended to identify the five (5) new transactions available for processing by business partners.

§225.48 Transaction Fee. Section 225.48 is proposed to be amended to identify the new mail station of the BPA Program Administrator.

§225.54 Transaction Procedures and Inventory Requirements. Section 225.54 is proposed to be amended to identify the new revision date of the transaction procedures and inventory requirements handbook which would include the five (5) new vehicle registration transactions and processing procedures.

§225.72 Voluntary Closing. Section 225.72 is proposed to be amended to identify the revised name of the departments' Forms and Accountable Items Section and the change in mail stations for the BPA Program Administrator and the Field Office Support Unit.

DOCUMENTS INCORPORATED BY REFERENCE

- BPA Transaction Procedures and Inventory Requirements Handbook (July 2007)
- Business Partner Automation Application, First-Line Business Partner REG 4024 (Rev. 7/2007)
- Business Partner Automation Application, First-Line Service Provider REG 4023 (Rev. 7/2007)
- Business Partner Automation Application, Second-Line Business Partner REG 4025 (Rev. 7/2007)
- Business Partner Automation Surety Bond REG 866 (Rev. 7/2007)
- Business Partner Automation Program Renewal Application REG 5056 (Rev. 7/2007)
- Business Partner Deposit Agreement and Assignment REG 4039(NEW 7/2007)
- Business Partner Automation Program Information Security Pre-Implementation Checklist:

First-Line Business Partner &
First-Line Service Provider
Second-Line Business Partner

EXEC 5555A (NEW 11/2002)
EXEC 5555B (NEW 11/2002)

The documents are not published in Title 13 because it would be impractical and cumbersome to publish them in the department's regulations. The handbook is presently available on the department's Internet website and all the documents and the handbook are available from the department upon request. To view the proposed revised handbook or receive a copy by mail, see page four (4) of the notice, the section entitled *Availability of Statement of Reasons and Text of Proposed Regulation* for the webpage link and the department's contact person.

FISCAL IMPACT STATEMENT

- Cost Or Savings To Any State Agency: None.
- Other Non-Discretionary Cost or Savings to Local Agencies: None.
- Costs or Savings in Federal Funding to the State: None.
- Cost Impact on Representative Private Persons or Businesses: The department is not aware of any cost impacts that a representative private person or business would necessarily incur in reasonable compliance with the proposed action. The proposed regulations implement existing statutes by allowing a business partner, as authorized in Vehicle Code section 1685, to process additional vehicle registration transactions.
- Effect on Housing Costs: None.

DETERMINATIONS

The department has made the following initial determinations concerning the proposed regulatory action:

- The proposed regulatory action will not have a significant statewide adverse economic impact directly affecting businesses, including the ability of California businesses to compete with businesses in other states. No studies or data were relied upon in support of this proposal.
- The adoption of this regulatory action will neither create or eliminate jobs or create businesses in the state of California, will not result in the elimination of existing businesses, and will not reduce or expand businesses currently doing business in the state of California.
- The proposed regulatory action will not impose a mandate on local agencies or school districts, or a mandate that requires reimbursement pursuant to part 7 (commencing with Section 17500) of Division 4 of the Government Code.
- The proposed regulatory action will not affect small businesses because the proposed regulatory action implements existing statutes by expanding the types of vehicle registration transactions available for processing by a business partner.

PUBLIC DISCUSSIONS OF PROPOSED REGULATIONS

A pre-notice workshop, pursuant to Government Code section 11346.45, is not required because the issues addressed in the proposal are not so complex or large in number that they cannot easily be reviewed during the comment period.

ALTERNATIVES CONSIDERED

The department must determine that no reasonable alternative considered by the department or that has otherwise been identified and brought to the attention of the department would be more effective in carrying out the purpose for which the action is proposed, or would be effective as and less burdensome to affected private persons than the proposed action.

CONTACT PERSON

Inquiries relevant to the proposed action and questions on the substance of the proposed regulations should be directed to the department representative, Christie Patrick, Department of Motor Vehicles, P.O. Box 932382, Mail Station E-244, Sacramento, California 94232-3820; telephone number (916) 657-5567, or cpatrick@dmv.ca.gov. In the absence of the department representative, inquiries may be directed to the Erik Meyer, at (916) 657-3279 or e-mail emeyer@dmv.ca.gov. The fax number for the Regulations Branch is (916) 657-1204.

AVAILABILITY OF STATEMENT OF REASONS AND TEXT OF PROPOSED REGULATIONS

The department has prepared an initial statement of reasons for the proposed action, and has available all the information upon which the proposal is based. The contact person identified in this notice shall make available to the public upon request the express terms of the proposed action using underline or italics to indicate additions to, and strikeout to indicate deletions from, the California Code of Regulations. The contact person identified in this notice shall also make available to the public upon request the final statement of reasons, and the location of public records, including reports, documentation and other materials related to the proposed action. In addition, the above-cited materials (the Notice of Proposed Regulatory Action, the Initial Statement of Reasons, BPA Transaction Procedures and Inventory Requirements Handbook and Express Terms) may be accessed at www.dmv.ca.gov/about/lad/regactions.htm.

AVAILABILITY OF MODIFIED TEXT

Following the written comment period, and the hearing if one is held, the department may adopt the proposed regulations substantially as described in this notice. If modifications are made which are sufficiently related to the originally proposed text, the fully modified text, with changes clearly indicated, shall be made available to the public for at least 15 days prior to the date on which the department adopts the resulting regulations. Request for copies of any modified regulations should be addressed to the department contact person identified in this notice. The department will accept written comments on the modified regulations for 15 days after the date on which they are first made available to the public.